



Committed to the future of rural communities.

United States Department of Agriculture
Rural Development

TO: Participating GRH Lenders

FROM: Iowa's USDA, Rural Development Single Family Guaranteed Rural Housing Program (GRH) – February 2006

**** PLEASE DISTRIBUTE TO ALL WHO UTILIZE THE GRH PROGRAM ****

NEW NEWS

The proposed **2007 Budget** has \$3.6 billion for the GRH program with a 3.00% fee (actual \$601 million but spending increased with fee increase). For further information visit <http://www.usda.gov/agency/obpa/Budget-Summary/2007/FY07budsum.pdf> - pages 55 & 58 of the document.

Watch your email for an upcoming **educational opportunity** via the Iowa Communication Network (ICN).

♥ Tentatively set for Wednesday, March 15, 2006 ♥ 8 am to 1 pm ♥

PROCESSING

♥ Calculating the GRH Fee...

If **loaning** for the GRH fee (above or below the appraised value)

Base loan amount / .98 = Loan with GRH Fee

Purchase \$99,000

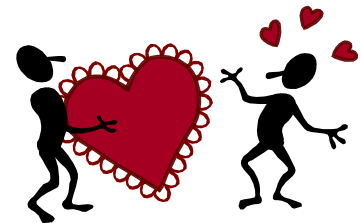
Repairs \$500

Appraisal \$100,000

Need to loan for GRH fee -- $\$99,500 / .98 = \$101,530.61$ total loan
(\$2,030.61 GRH fee)

If **not loaning** for fee

$\$99,500 \times 2.0\% = \$1,990$ GRH Fee



♥ Please notify RD if the loan amount or interest rate **increase** from the Conditional Commitment **prior to closing** by faxing an updated 1008, 1003, & 1980-21.

♥ There is **AN ABUNDANCE OF MONEY AVAILABLE!!!**

Iowa staff remains committed to providing *excellent* service with a **24 hour turnaround** of complete application packages.

NEW ADMINISTRATIVE NOTICES (ANs)

ANs for the last 12 months may be found at http://www.rurdev.usda.gov/regs/an_list.html.

AN 4134 – SFHGLP Refinancing of Single Family Housing Guaranteed Loans

The purpose of this AN is to renew instruction to field staff involved in the Single Family Housing Guaranteed Loan Program (SFHGLP) of the process used to refinance existing SFHGLP loans.

This AN replaces AN No. 4026, dated December 2, 2004.

AN 4137 – SFHGLP Refinancing of Section 502 Direct Loans with Section 502 Guaranteed Loans

The purpose of this AN is to renew instruction to field staff involved in the SFHGLP of the process used to refinance Direct loans to SFHGLP loans. A separate AN is being issued to address the requirements for refinancing an existing SFHGLP loan with a new SFHGLP loan.

This AN replaces AN No. 4027 dated December 2, 2004

UPCOMING EVENTS

April 6, 2006

Iowa Mortgage Association (IMA) Spring Conference

<http://www.iowama.org>, Marriott (fka Collins Plaza), Cedar Rapids

April 27, 2006

Iowa Home Ownership Education Project (IHOEP) Spring Conference

<http://www.ihoep.com/>, University of Iowa, Iowa City

USEFUL INFO

Iowa GRH Handbook & Newsletters

<http://www.rurdev.usda.gov/ia/rhsg.html>

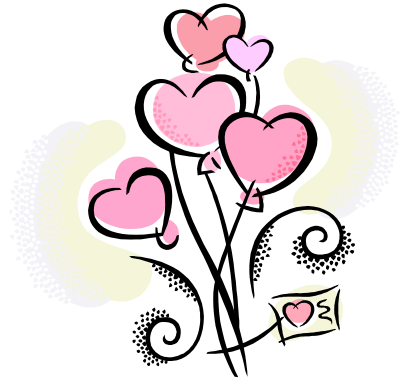
Property & Income Eligibility

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

RD Properties for Sale <http://www.resales.usda.gov/>

USDA, Rural Development <http://www.rurdev.usda.gov/>

Iowa USDA, Rural Development <http://www.rurdev.usda.gov/ia/>



USDA, Rural Development offices will be **closed** on the following days:

Monday, February 20, 2006 – President's Day

Monday, May 29, 2006 – Memorial Day

Iowa State Office Single Family Housing Staff

Bruce McGuire, Program Director - bruce.mcguire@ia.usda.gov

Heather Honkomp, Single Family Housing Specialist - heather.honkomp@ia.usda.gov

LindaKay Rhoades, Single Family Housing Specialist - linda.rhoades@ia.usda.gov

Lender Assignments to **RD offices** are based upon the location of the customer's main office. Iowa RD offices may be found at http://www.rurdev.usda.gov/ia/la_locations.html (click on the address or type it into your browser).

To request changes to our email list such as removals or additions, please e-mail heather.honkomp@ia.usda.gov with your request. Be sure to include contact name, business name, location, phone number, and email address. We appreciate your assistance with the maintenance of our email list.

210 Walnut Street, Room 873 · Des Moines, IA 50309

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USDA Rural Development is an equal opportunity lender, provider and employer.

Complaints of discrimination should be sent to: USDA, Director, OCR, Washington, D.C. 20250-9410